

LOCAL LEASE ACQUISITION AGREEMENT

This **LOCAL LEASE ACQUISITION AGREEMENT** is made as of this 21st day of May, 2002 (this "Agreement") between the **VIRGINIA RESOURCES AUTHORITY** ("VRA") and the **COUNTY OF FAUQUIER, VIRGINIA** (the "Locality").

VRA hereby offers to enter into this Agreement with the Locality, which, upon the Locality's written acceptance of this offer, will be binding upon VRA and the Locality. This offer is made subject to the Locality's written acceptance hereof this day on or before 6:00 p.m. Richmond, Virginia time, and, if not so accepted, will be subject to withdrawal by VRA at any time prior to the acceptance hereof by the Locality.

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth or incorporated herein, VRA hereby agrees to loan to the Locality, and the Locality agrees to borrow from VRA, the aggregate principal amount of \$_____ (the "Loan") pursuant to the terms of the Financing Lease dated as of June 1, 2002 (the "Financing Lease") to be entered into between VRA and the Locality. The rental payments under the Financing Lease shall be as set forth in Appendix A hereto.

The Locality will be executing the Financing Lease pursuant to a resolution adopted _____, 2002 (the "Authorization"). Prior to or concurrently with the acceptance hereof by the Locality, the Locality has delivered to VRA a copy of the Authorization as adopted.

The total loan amount shall be \$_____, (the "Purchase Price") and has been determined as follows: By adding to the par amount of the Loan (\$_____) the Locality's share of the original issue premium on the VRA Bonds (as defined below) (\$_____) and by subtracting from the par amount of the Loan the Locality's share of VRA's costs of issuance (including Underwriter's discount) and the deposit into VRA's capitalized interest fund (Total: \$_____).

By 10:00 a.m., Richmond, Virginia, time, on June __, 2002, or such other later date or time to which VRA may specify in writing (the "Closing Date"), the Locality will cause the Financing Lease and the documents described in Section 3.3 of the Financing Lease to be delivered to VRA at the offices of McGuireWoods LLP, Richmond, Virginia, or at such other place as VRA may specify in writing. The Purchase Price shall be deposited and applied as provided in Section 4.1 of the Financing Lease.

The representations and warranties of the Locality set forth in Section 2.2 of the _____, 2002 draft of the Financing Lease are incorporated herein and are accurate as of the date hereof.

The obligation of VRA to execute the Financing Lease is subject to the accuracy of the representations and warranties of the Locality incorporated into this Agreement, in each case as of the date of this Agreement and the Closing Date, and is also subject, in the discretion of VRA, to the following additional conditions precedent:

(a) The acceptance of, and payment of the full purchase price for, VRA's Infrastructure Revenue Bonds (Pooled Loan Bond Program), Series 2002A (the "VRA Bonds"), by the initial purchasers thereof. It is understood that the source of funds to pay the purchase price of the Local Bond is a portion of the proceeds of the VRA Bonds.

(b) VRA shall have received each of the documents specified in Section 3.2 of the Financing Lease.

Any notice or other communication to be given to VRA or the Locality under this Agreement may be given by mailing to the following address:

VRA: Virginia Resources Authority
707 East Main Street, Suite 1350
Richmond, Virginia 23219
Attention: Executive Director

LOCALITY: Fauquier County, Virginia
40 Culpeper Street
Warrenton, Virginia 20186
Attention: County Administrator

VRA will pay, or cause to be paid, from the proceeds of the VRA Bonds all expenses incident to the performance of its obligations under and the fulfillment of the conditions imposed by this Agreement, including, but not limited to: (i) the cost, if any, of preparing and delivering the VRA Bonds, (ii) the cost of preparing, printing and delivering the Preliminary Official Statement and the Official Statement for the VRA Bonds and any amendment or supplement to the Official Statement; (iii) the fees and expenses of VRA Bond Counsel; and (iv) all other costs and expenses incurred by VRA in connection with the issuance, sale and delivery of the VRA Bonds. All expenses of the Locality, including, but not limited to the fees and disbursements of Counsel and Bond Counsel to the Locality will be paid by the Locality from the Purchase Price or other funds of the Locality.

In case any one or more of the provisions of this Agreement, for any reason, is held to be illegal or invalid, such illegality or invalidity will not affect any other provisions of this Agreement, and this Agreement will be construed and enforced as if such illegal or invalid provisions had not been contained in it.

This Agreement may be executed in counterparts will be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

VIRGINIA RESOURCES AUTHORITY

By: _____
Robert W. Lauterberg
Executive Director

Accepted and agreed to this____ day of May, 2002, at _____ [a.m.]
[p.m.].

COUNTY OF FAUQUIER, VIRGINIA

By: _____

Its: _____